U. S. Supreme Court
FILED
NOV 26 1941
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

No. 761

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,

Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT AND BRIEF IN SUPPORT THEREOF.

LEONARD A. WATSON,
Counsel for Petitioners.

DAVID A. WOODCOCK,
Of Counsel.

ACKERMAN PRESS, Inc., 202 East 44th St., 'Phone VAnderbilt 6-1898

INDEX.

PAGE

Petition 1

Summary Statement of the Matter Involved 2

Questions Presented 6

Reasons Relied on for the Allowance of the Writ 6

Brief in Support of Petition for Writ of Certiorari 9

Opinions of the Courts Below 9

Jurisdiction 9

Statement of the Case 9

Specification of Errors 9

Summary of Argument 10

Argument:

I—There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms as to enable any person skilled in the art * * * to make, construct, compound and use the same" (R. S., 4888, U. S. C., Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court and by the Circuit Court of Appeals for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia, and the Court of Customs and Patent Appeals 10

PAGE

II—The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms" 18

III—The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915? 20

Conclusion 25

Appendix, Revised Statute 4915 26

TABLE OF CASES.

PAGES

Besser v. Merrilat, 243 Fed. 611 (C. C. A. 8th) 7, 16
Butterworth v. Hoe, 112 U. S. 50, 61 ..... 8, 19

Carlin v. Crumpton, 45 App. D. C. 166 ..... 7, 16
Carson v. American Smelting Co., 4 F. (2d) 463, 465-6 (C. C. A. 9th) 20
Coupe v. Royer, 155 U. S. 565, 574 ..... 7, 8, 13, 14, 19
Croskey v. Atterbury, 9 App. D. C. 207 ..... 7, 16
Curtiss v. Janin, 278 U. S. 454 (C. C. A. 2nd) 7, 8, 14-16, 18

Electro Metallurgical Company, et al. v. Krupp Nirosta, 33 F. Supp. 324 9
50 U. S. P. Q. 158 9

Hill v. Wooster, 132 U. S. 693 20

In re Perrigo, 48 F. (2d) 965, C. C. P. A. 7, 8, 17

Matheson v. Campbell, 69 Fed. 597 23
Matheson v. Campbell, 78 Fed. 910, 915, 923 24
Morgan v. Daniels, 153 U. S. 120 21

Simpson v. Holliday, L. R. 1, H. L. 315 and 13 Wkly. Rep. 577, 578 22-24
Steinfur Patents Corp. v. J. Meyerson, Inc., 56 F. (2d) 372, 379 20

The Telephone Cases, 126 U. S. 1, 535-536 ..... 7, 8, 12, 13, 18, 19
Victor v. Brunswick-Balke-Collender, 273 U. S. 670 21
Von Recklinghausen v. Dempster, 34 App. D. C. 474 ..... 7, 16

Westinghouse v. DeForest, 278 U. S. 572 21

STATUTES CITED.

Revised Statute, §4888, U. S. C., Title 35, §33 ..... 6, 10
Revised Statute, §4890, U. S. C., Title 35, §34 11
Revised Statute, §4891, U. S. C., Title 35, §34 11
Revised Statute, §4915, U. S. C., Title 35, §63 (printed in full at page 26) 8, 20

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,

Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioners Electro Metallurgical Company, Frederick M. Becket and Russell Franks pray that a writ of certiorari issue to review the final decree of the United States Circuit Court of Appeals for the Third Circuit entered herein on June 30, 1941. Rehearing and reconsideration by that Court were requested and were denied August 26, 1941.

A certified transcript of the record in the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith in compliance with Rule 38 of this Court.

Summary Statement of the Matter Involved.

This is a civil action brought in equity under R. S., 4915, 35 U. S. C., §63,* in which petitioners seek a decree against Krupp Nirosta Company, Inc., authorizing a patent upon the application of petitioners Becket and Franks, Serial No. 593,928 (R. 193-200), filed February 18, 1932. The District Court (Nields, D. J.) dismissed plaintiffs' suit after trial and the Circuit Court of Appeals affirmed (R. 621), because of alleged priority of an application of Schafmeister, Serial No. 550,288 (R. 203-208), filed July 11, 1931, owned and prosecuted originally by Fried. Krupp Aktiengesellschaft of Germany and later by its assignee the respondent. In the oath accompanying the Schafmeister application he claims under the Convention the benefit of a supposedly corresponding German application (R. 226-228), filed on July 21, 1930. Pending the appeal below, the Schafmeister U. S. application has been patented as No. 2,190,486, but since the applications of the two parties were copending, the Schafmeister patent is no bar and is invalid if petitioners are entitled, as they contend, to priority.

The invention in controversy is concerned, as the Circuit Court of Appeals held, with means "for preventing internal (intergranular) corrosion in stainless steels" of the austenitic type commonly called "18-8" because containing about 18% chromium and 8% nickel, with iron, carbon and minor ingredients. Plain 18-8 steel, though its surface may remain stainless, is impaired when subjected either concurrently or successively to a temperature between 400° and 900° C. and to a corrosive, and reveals the defect of intergranular corrosion by losing its metallic ring, cracking and sometimes even crumbling to a powder.

---

*R. S., 4915; 35 U. S. C., §63, will be found as an Appendix, page 26.

The means for curing this defect is a steel of the 18-8 type (retaining its characteristic toughness and ductility) containing a small quantity of columbium with or without tantalum. 18-8 steel, columbium and tantalum are recognized as materials essential to defense.

This suit represents a contest for patent between respondent, a patent holding company, relying solely on the filing dates of German and United States applications without any actual manufacture, and petitioners, American inventors, who independently conceived and proved the invention by actually making and testing steels before filing their patent application.

Petitioners' application as filed in February, 1932 and petitioners' actual reduction to practice by making and testing in 1931 two steels, called Heats B-142 and B-145, which contained the invention and were fully immune to intergranular corrosion, were unchallenged by the decisions below. Petitioners admittedly made and tested another such steel, called Heat A-722, in 1929 and further tested it in 1930, but the evidence was held insufficient to show that petitioners had reached success with this heat or knew at the time the exact amount of columbium and tantalum A-722 contained.

Krupp's German Schafmeister application (R. 203-208) upon which respondent relies, proposed to cure "brittleness" (no mention of intergranular corrosion) in 18-8 steel by numerous methods. It first endorsed two suggestions made in prior Krupp applications (the Strauss idea of keeping carbon as low as .07%, and the Schafmeister and Houdremont idea of adding titanium or vanadium to the steel). It then set forth the alleged new discovery in these words:

> "Exhaustive experiments have shown * * * that this advantage is the property also of chemically neutral chromium nickel steel alloys which contain columbium, tantalum, zirconium, uranium, hafnium or rare earth

metals, such as cerium, thorium, lanthium, yttrium, neodymium, samarium, etc. either alone or mixed."

The phrase "rare earth metals" includes also at least ten other rare earth elements listed in the circular of the Department of the Interior, "The Rare Earths" (R. 152-153). Thus the Schafmeister application proposed as alternative and equivalent cures any one or any combination of twenty-one metallic elements and claimed to have proved their usefulness by "exhaustive experiments". These suggested metals number more than one-fifth of all the elements known to science! Schafmeister gave two examples, one containing "about .17% carbon, 8% nickel, 18% chromium and 1.3% tantalum + columbium" and the other substituting zirconium for the last two elements.

Petitioners investigated the truth of these statements and produced in this suit uncontroverted testimony and tests (not before the Patent Office) by standard methods taught by Krupp (R. 31-33) showing:

(a) Many of the suggested elements, such as zirconium (R. 55, 57, 172 and R. 493) cerium (R. 69), thorium (R. 69) and uranium (Plfs'. Ex. 10, sheet 55) as well as vanadium (R. 493) are inoperative to prevent or even lessen intergranular corrosion.

(b) Other elements are incapable of actual use and would be too costly even for experiment, such as hafnium which would cause a 5 ton heat of steel with 60 pounds of hafnium to cost $13,000,000.00 (R. 79, 122, 143-4).

(c) None of the elements are shown to have any utility except tantalum and columbium, and even these two, when proportioned as in Schafmeister's example, would not "prevent" intergranular corrosion or be any better than Heat A-722 which petitioners had made and tested in 1929. The Strauss .07% carbon steel is even less effective (R. 19, 442).

These same defects were present in respondent's U. S. application as filed, except that the latter disclosed the purpose of preventing intergranular corrosion.

The Schafmeister U. S. application was later amended to withdraw his recommendation and claims for uranium, hafnium, cerium and all other metallic elements apart from columbium and tantalum, long after petitioners' application had been on file and soon after the Patent Office had given notice (R. 215) of the prospect of the present interference (see Examiner's interlineations at R. 205-7). Respondent attempted unsuccessfully to insert a ratio of carbon to the alloying element (R. 209-212 and 213), although a different ratio (twice as much of the metallic element as carbon) was taught in the Krupp British patent (R. 229, lines 80-85) then under the same ownership. The whole application was radically changed before it was patented.

Both the Circuit Court of Appeals and the District Court awarded priority to respondent for the Schafmeister German application, holding that it was a "constructive reduction to practice" as of its filing date, July 21, 1930, that petitioners' Heat A-722 was inadequate and its application and Heats B-142 and B-145 made in 1931 were too late.

The opinion of the District Court (R. 551-562) is silent regarding the tests and other evidence introduced by petitioners to show the insufficiency of the Schafmeister application. The Circuit Court of Appeals repeated and sanctioned this disregard at R. 626, saying:

> "The second attack falls for the reason that the trial court was at liberty to ignore the plaintiffs' ex parte tests which allegedly showed the inefficiency of Schafmeister's claims and formulae."

The term "ex parte tests" carries an unjustified inference; some of the tests were made long before the controversy or knowledge of respondent's application; some were made

for the trial but required so many weeks of furnace work that inter partes attendance would have been scarcely possible; all resulted in evidence of which respondent had long warning before trial. Respondent offered no evidence in support of the assertions of the Schafmeister applications or in contradiction of petitioners' evidence.

Questions Presented.

Questions presented by the case are the following:

(1) Is an invention constructively reduced to practice by a patent application which includes inoperative alternatives?

(2) May a court ignore uncontradicted evidence to show that an application, on which one applicant in interference depends, contained false and misleading disclosures and accept those disclosures, without supporting evidence, as proof of reduction to practice?

(3) Is it proper to apply a more severe test of operativeness to an actual than to a constructive reduction to practice?

Reasons Relied On For the Allowance of the Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds set down in Rule 38 of this Court:

1. There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms as to enable any person skilled in the art * * * to make, construct, compound and use the same" (R. S., 4888, U. S. C.,

Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court.

Telephone Cases, 126 U. S. 1, 535-536.
Coupe v. *Royer*, 155 U. S. 565, 574.

2. There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms" by the Circuit Court of Appeals for the Third Circuit in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by the Circuit Court of Appeals for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia, and the Court of Customs and Patent Appeals.

Curtiss v. *Janin*, 278 Fed. 454 (C. C. A. 2nd).
Besser v. *Merrilat*, 243 Fed. 611 (C. C. A. 8th).
Von Recklinghausen v. *Dempster*, 34 App. D. C. 474.
Croskey v. *Atterbury*, 9 App. D. C. 207.
Carlin v. *Crumpton*, 45 App. D. C. 166.
In re Perrigo, 48 F. (2d) 965, C. C. P. A.

3. The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms".

Telephone Cases, 126 U. S. 1, 535-536.
Coupe v. *Royer,* 155 U. S. 565, 569, 579, 574.
Butterworth v. *Hoe,* 112 U. S. 50, 61.
Curtiss v. *Janin,* 278 Fed. 454 (C. C. A. 2nd).
In re Perrigo, 48 F. (2d) 965, C. C. P. A.

4. The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

> Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915?

WHEREFORE it is respectfully submitted that this petition for a writ of certiorari to the Circuit Court of Appeals for the Third Circuit should be granted.

LEONARD A. WATSON,
Counsel for Petitioner.

DAVID A. WOODCOCK,
Of Counsel.

Dated, New York, N. Y.,
November 25, 1941.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of the Courts Below.

The opinion of the United States District Court for the District of Delaware is reported in 33 F. Supp. 324 and at R. 551. The opinion of the Circuit Court of Appeals for the Third Circuit appears at page 621 of the Record but is not yet reported except in 50 U. S. P. Q. 158.

Jurisdiction.

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925, c. 229 (28 U. S. Code, Sec. 347). The decree of the Circuit Court of Appeals for the Third Circuit which petitioners seek to have reviewed was entered June 30, 1941 (R. 629), rehearing denied August 26, 1941 (R. 635).

Statement of the Case.

The essential facts of the case are stated in the accompanying petition for a writ of certiorari.

Specification of Errors.

The errors which petitioners will urge if the writ of certiorari is issued, are that the Circuit Court of Appeals for the Third Circuit erred:

1. In ignoring and sanctioning the act of the District Court in ignoring all evidence that respondent's

Schafmeister applications are inoperative, false and misleading in their disclosures, contrary to the Patent Statutes.

2. In holding that respondent's Schafmeister applications in Germany and the United States are constructive reductions to practice.

3. In failing to hold that petitioners first filed an allowable application for the subject matter of the interference and first reduced it to practice.

Summary of Argument.

The points of argument will follow the reasons relied upon for allowance of the writ of certiorari.

ARGUMENT.

I.

There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise, and exact terms as to enable any person skilled in the art * * * to make, construct, compound, and use the same" (R. S., 4888, U. S. C., Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court and by the Circuit Courts of Appeal for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia and the Court of Customs and Patent Appeals.

The decision of the Third Circuit courts herein encourages the filing of speculative patent applications and the issuance of invalid patents at the expense of genuine in-

ventors and the public generally. It has accomplished that result in the present case by an interpretation of the patent laws in conflict with the practice of this and other Courts and in violation of the very intention of the American patent system.

The purpose of the law is to reward an actual inventor and to obtain from him, in return, a truthful and complete "written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same;" (R. S., 4888). Congress indicated expressly its intention to prevent false applications when it provided further:

> "When the invention or discovery is a composition of matter, the applicant, if required by the Commissioner, shall furnish specimens of ingredients and of the composition, sufficient in quantity for the purpose of experiment" (R. S., 4890, U. S. C., Title 35, §34).

The Commissioner required no such specimens from Krupp or respondent in connection with the Schafmeister application. He accepted on their face the statements in that application regarding "exhaustive experiments", numerous metallic elements useful for the purpose and completeness of success in all cases.

The situation today in this and many other cases makes it absurd to presume that an examiner has determined the operativeness of the complex patents which he issues. Such a presumption might have been reasonable in the early days of the patent system when most patents related to mechanical devices and when the Patent Office actually required models under R. S., 4891.

The burden which formerly rested on the Patent Office to determine operativeness is now practically transferred

in many cases to private litigants. Such litigants must find the door open to introduce evidence on the subject, if the United States is not again to be unjustly burdened as it was by the delusive German dye patents seized in the last World War.

The contrary idea that a patent application is sacrosanct as a proof of invention grows in part out of the excessive presumption of omniscience by the patent examiners and in part out of the phrase "constructive reduction to practice" used to characterize patent applications. The very phrase "constructive reduction to practice" was not created by statute nor was it a creature of this Court. It was merely the convenient phrase adopted by the Patent Office itself to indicate a legal fiction by which an application *if it was then allowable, i. e., if it sufficiently and exactly disclosed the invention,* gave the same rights to the inventor as if he had actually reduced his invention to practice on that day. The interpretation of the Third Circuit ignores the italicized limitation, and thereby departs from proper practice.

This Court and other courts prevailingly have received and weighed evidence of operativeness either in suits like the present one under R. S., 4915, or in suits for infringement. In *The Telephone Cases,* 126 U. S. 1, priority of invention between Bell and an adverse inventor was in issue in a suit for infringement of patent. The words "constructive reduction to practice" do not appear to have been used there by this Court, but in effect the Court decided that the Bell application was a satisfactory substitute for an actual reduction to practice and entitled him to the filing date for his invention. In doing so, neither this Court nor the lower courts were content to accept the application as sufficient for that purpose without examining whether it would operate. Both parties were allowed to introduce extensive evidence in the form of tests and testimony upon that point, and the result was

to show that the application described with "admirable clearness" a device which "will operate successfully." On this subject the Court said:

> "It is quite true that when Bell applied for his patent he had never actually transmitted telegraphically spoken words so that they could be distinctly heard and understood at the receiving end of his line, but in his specification he did describe accurately and with admirable clearness his process, that is to say, the exact electrical condition that must be created to accomplish his purpose, and he also described, with sufficient precision to enable one of ordinary skill in such matters to make it, a form of apparatus which, if used in the way pointed out, would produce the required effect, receive the words, and carry them to and deliver them at the appointed place. The particular instrument which he had and which he used in his experiments did not, under the circumstances in which it was tried, reproduce the words spoken, so that they could be clearly understood, but the proof is abundant and of the most convincing character, that other instruments, carefully constructed and made exactly in accordance with the specification, without any additions whatever, have operated and will operate successfully. A good mechanic of proper skill in matters of the kind can take the patent and, by following the specification strictly, can, without more, construct an apparatus which, when used in the way pointed out, will do all that it is claimed the method or process will do."

The Telephone Cases, 126 U. S. 1, 535-6.

In *Coupe* v. *Royer*, 155 U. S. 565, the trial practice was stated at page 569 as follows:

> "The defendants gave evidence tending to show that a machine made in conformity with plaintiffs' specifi-

> cations and claims would not operate as a successful machine, to which the plaintiffs replied by evidence tending to show that a machine made after the description contained in the patent would and did operate successfully."

The trial judge referred this issue to the jury and this Court held at page 579:

> "We perceive no error in the comments of the learned judge upon the question whether the plaintiffs' patent described a practically useful machine."

This Court further remarked at page 574:

> "A patented machine that will not do what it is intended to do could not sustain an action against one who was shown to use a successful and operative machine."

Conflict With Other Courts.

Other courts have interpreted the statutes in harmony with this Court and in conflict with the decisions made here by the Third Circuit, by limiting the doctrine of constructive reduction to practice to exclude applications which do not comply with R. S., 4888.

In *Curtiss* v. *Janin,* 278 Fed. 454, a suit under R. S., 4915, the Circuit Court of Appeals for the Second Circuit reversed the District Court and overruled the interference decision which had been in favor of Janin, because of evidence of tests made by Curtiss showing that Janin's hydro-aeroplane, if made as described in his application filed January 26, 1911, would not rise from the water. In so doing the court held at pages 456 and 457:

"We agree with Mr. Macomber [page 785] that—

> 'The Patent Office rule that the filing of an allowable application is a constructive reduction to practice is only the expression in another form, of the thought that the application for a patent, if it sufficiently describes the invention, is conclusive evidence that the invention was made at least as early as that date.'

* * * * * *

If, therefore, that specification does not enable the man skilled in the art to construct without further exercise of the inventive faculty an operative hydro-aeroplane, there has been no reduction to practice, constructive or otherwise. Standard, etc., Co. v. Peters, etc., Co., supra. Indeed, the whole doctrine of conception as differing from reduction to practice, is excellently set forth in Christie v. Seybold, 55 Fed. 69, 76, 6 C. C. A. 33, 40, by the present Chief Justice when Circuit Judge, in saying that he who—

> 'first conceives, and in a mental sense first invents, a machine, art, or composition of matter, may date his patentable invention back to the time of its conception, if he connects the conception with its reduction to practice by reasonable diligence on his part, so that they are substantially one continuous act.'

Therefore, if it be admitted that defendant Janin had for years been conceiving hydro-aeroplanes, the question remains whether the device he disclosed on January 26, 1911, was something that would or could rise out of the water and fly; for we again agree with the District Court of Appeals in holding that—

> 'The law is well settled that where an invention is designed to perform a definite purpose, a construction embodying it must be capable, when operated, of performing that purpose.'
>
> Thus the fundamental inquiry is this: Did Janin on January 26, 1911, and by filing his specification disclose an operative hydro-aeroplane?''

This question was answered in the negative in part by evidence of ex parte tests which Curtiss had made before the controversy arose.

In *Besser* v. *Merrilat,* 243 Fed. 611, the Court of Appeals for the Eighth Circuit in a suit for patent infringement held the patent invalid for lack of utility after receiving evidence that devices constructed in accordance with the patent would not work practically in industry, saying at page 612:

> "If, however, it will not work practically in industry when constructed according to the claims and specifications, it is not useful, and cannot be sustained upon a showing that it can be made to work by a small improvement."

In *Von Recklinghausen* v. *Dempster,* 34 App. D. C. 474, the Court of Appeals for the District of Columbia quoted from *Croskey* v. *Atterbury,* 9 App. D. C. 207, defining the "allowable application", essential to constitute a constructive reduction to practice in the language of R. S., 4888.

Carlin v. *Crumpton,* 45 App. D. C. 166 (an interference decision), refused to allow Carlin's claim that his application was a constructive reduction to practice, on the ground

that a calculating machine built according to his disclosure would not invariably give the correct result, required rules not there stated to correct its errors, and even with the rules was so complex as to be impractical.

In the case of *In re Perrigo,* 48 F. (2d) 965, the Court of Customs and Patent Appeals asserted the right to look behind the assertions of the patent application and rejected the application as inoperative even though the Patent Office had produced no evidence of tests.

In the instant case the Schafmeister application as filed and as it existed when the declaration of interference was contemplated, sought to blanket the art by proposing nearly every conceivable alloying metallic element as a cure for intergranular corrosion. Of the twenty-one metals which it proposed using "either alone or mixed", only two are shown to have any value and even for these Schafmeister did not give instructions which would produce a steel immune to intergranular corrosion without inventive alteration and the expenditure of many thousand dollars for experimentation. The Patent Office failed to detect this wholesale deception, but petitioners disclosed it to the District Court by arduous tests and the testimony of a number of witnesses. These witnesses were not discredited nor their testimony refuted by any evidence on behalf of the Schafmeister application. It is respectfully submitted that the District Court plainly erred in failing to consider that evidence and the consequent proof that the Schafmeister application was not a reduction to practice.

II.

The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms".

To avoid repetition, we refer to the foregoing Argument, Point I, to show the propriety of evidence that the Schafmeister application was inoperative and to show that where the only evidence on the subject was adverse to Schafmeister, his application should not have been accepted as a constructive reduction to practice.

The evidence adduced on the trial in the District Court by petitioners and ignored by the District Court was the only practicable means by which the fraudulent or misleading character of the Schafmeister application could be made plain. In some cases petitioners were able (as Curtiss was in *Curtiss* v. *Janin, supra*) to locate records of similar experiments of their own, conducted long before the controversy arose and before petitioners had any knowledge of the Schafmeister application. In other instances it was necessary for petitioners (like the parties in *The Telephone Cases, supra*) to make and test for the trial appropriate samples of steel. These tests were not adapted for full court-room demonstration or inter partes participation, requiring not only prolonged work in manufacture but subsequent continuous exposure of the steel for weeks to furnace temperatures between 400° and 900° C. and to boiling corrosives.

Respondent, having received notice that evidence to prove the inoperativeness of Schafmeister would be in-

troduced on the trial, could have produced tests and witnesses of its own in refutation. Under ordinary rules, its failure to produce such evidence carries an inference that the evidence would have supported petitioners. Yet with nothing produced by it, respondent has nevertheless obtained from the District Court and the Court of Appeals all the favor which could have been accorded Schafmeister if he had conclusively proved his application true in every particular. Respondent itself was less confident, for it cancelled from that application, after notice of the prospective interference in the Fall of 1933, the assertion of curative value he had previously made for nineteen out of the twenty-one elements.

The limitation which the courts below have placed on petitioners' right of proof is in conflict with the practice of this Court in *The Telephone Cases* and *Coupe* v. *Royer, supra.* It is contrary to the principle of *Butterworth* v. *Hoe*, 112 U. S. 50, 61, in which this Court held regarding an R. S., 4915 suit:

> "It is thereby provided that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, according to the ordinary course of equity practice and procedure. It is not a technical appeal from the Patent Office, like that authorized in §4911, confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced and upon the whole merits. Such has been the uniform and correct practice in the Circuit Courts."

The Courts of the District of Columbia and the Courts of Appeal of the Second and Eighth Circuits, like this Court, have admitted and considered evidence within the broad purpose of the *Butterworth* case. The act of the Court of Appeals for the Third Circuit in ignoring petitioners'

evidence is a departure from this accepted and usual course of judicial proceedings within the meaning of the rule. It has the effect of largely nullifying the remedial purpose of Congress in enacting R. S., 4915, for it closes the door to new evidence upon a point which is vital to petitioner and to the public.

The two cases cited by the decision below (R. 626) as authority for ignoring petitioners' evidence are not in point. In *Carson* v. *American Smelting Co.*, 4 F. (2d) 463, 465-6 (C. C. A. 9), evidence of ex parte tests was not wholly ignored but regarded as having less weight than contradictory evidence introduced by the opposing party. In *Steinfur Patents Corporation* v. *J. Meyerson, Inc.*, 56 F. (2d) 372, 379 (D. C. E. D. N. Y.), the defendants, though introducing some evidence that plaintiff's patents were inoperative, "admitted that the patent worked on a small scale, and that admission may be sufficient to uphold the patents". The other cases cited in the *Steinfur* opinion do not support the practice of ignoring uncontradicted evidence, even if largely ex parte, where notice has been given and no evidence is offered to show the patent operative.

III.

The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

> **Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915?**

This Court does not appear ever to have passed on an R. S., 4915 suit where the effect and limitations of the doctrine of constructive reduction to practice were in issue. In *Hill* v. *Wooster*, 132 U. S. 693, this Court exercised its

right to declare both applications unpatentable for lack of invention in a suit under R. S., 4915. In 1894 this Court held in another R. S., 4915 suit, *Morgan* v. *Daniels,* 153 U. S. 120, where no question of inoperativeness was in issue, that decisions of the patent tribunals in interference would not be overruled without "testimony which in character and amount carries thorough conviction". It cannot be assumed that this Court would extend the rule to the subject of operativeness, in view of the increasing number of applications whose operation is beyond the power of the patent office to verify. In the forty-seven years since that date, no R. S., 4915 patent suit appears to have received full consideration from this Court, although two (*Victor* v. *Brunswick-Balke-Collender,* 273 U. S. 670, and *Westinghouse* v. *DeForest,* 278 U. S. 572), were affirmed per curiam upon *Morgan* v. *Daniels* and without consideration of "constructive reduction to practice".

The question raised by this point may be restated with particular reference to the present case, as follows:

(a) One files an application for patent on an improvement in a well known stainless steel. The improvement is disclosed as such steel with any one or combination of twenty-one elements added for imparting a particular new property.

(b) Later it is discovered by others, or by applicant, or by both, that of the twenty-one elements "either alone or mixed" named by applicant as full equivalents, only two are in fact operative.

(c) A contest of priority arises as to the specific improved steel containing the two operative elements only.

Query: Is the applicant who ignorantly believed or falsely stated that all twenty-one elements were equiva-

lent entitled to a date of invention for the specific improvement as of the filing of his erroneous application or as of his later discovery that two elements were operative and nineteen inoperative?

In other words, when the invention is in the wheat, is the applicant who fails to distinguish between wheat and chaff entitled to a date earlier than his conception and perception of any difference between wheat and chaff?

The question is particularly important in a suit under R. S., 4915, when a second applicant (like these petitioners) independently discovers the only useful composition, reduces it to practice, and files a clear and exact application for it while the rival application is still befogged with misleading alternatives. However, the question clearly has great importance to inventors generally and to the public, for the answer will determine whether inventors should confine their applications to verified fact or may freely include every guess supplied by their imagination or by the study of a table of elements.

The British courts have already decided the effect of combining a useful with an inoperative alternative in a patent. That situation, though far less shocking than the wholesale deception practised in the Schafmeister application, was sufficient to cause the House of Lords to hold a patent invalid in *Simpson* v. *Holliday*, L. R. 1, H. L. 315 (1866), where Lord Cranworth, in concurring, held at pages 322-323:

> "There is no doubt in this case as to the construction of the specification. It specifies two modes of obtaining the mixture which produces the dyes—one with, and the other without, the agency of heat. It was admitted, on the motion before Lord Westbury, and it was also admitted on the hearing of the appeal before your Lordships, that no practical result can be obtained without the heat. This clearly makes the

specification bad. It specifies two processes, whereas one only is practicable."

The foregoing decision of the Lords affirmed on this point the Chancery ruling in *Simpson* v. *Holliday*, 13 Wkly. Rep. 577, 578 (cited in *Matheson* v. *Campbell*, 69 Fed. 597), where the Lord Chancellor held:

"If, therefore, the true construction of the specification be, that two distinct processes are described as being both efficient, and are both claimed as part of the invention, but one is found upon trial to be inefficient and useless, it is plain that the patent has been granted on a false suggestion, and is, therefore, invalid and bad at law.

* * * * * *

When it is stated that an error in a specification which any workman of ordinary skill and experience would perceive and correct, will not vitiate a patent, it must be understood of errors which appear on the face of the specification, or the drawings it refers to; or which would be at once discovered and corrected in following out the instructions given for any process or manufacture; and the reason is, because such errors cannot possibly mislead. But the proposition is not a correct statement of the law, if applied to errors which are discoverable only by experiment and further inquiry.

* * * * * *

With respect to the rules that govern the construction of specifications, they are the ordinary rules for the interpretation of written instruments, having regard especially to the fact that the specification must clearly fulfil the obligation imposed on the patentee by the proviso contained in all letters patent, viz., that the grant shall be void if the patentee shall not par-

ticularly describe and ascertain the nature of his invention, and in what manner the same is to be performed."

The Schafmeister application deserves the criticism which Circuit Judge Lacombe applied in holding a chemical patent invalid in *Matheson* v. *Campbell* (C. C. A.), 78 Fed. 910, 915 and 923:

> "In other words, having himself experimented only with three or four bodies out of a group of hundreds, he proposes to set himself in the pathway of future experimenters with any or all of the other bodies, and, as the result of each new experiment is disclosed, will fire away at it, calculating to 'hit it if it is a deer, and miss if it is a cow'.
>
> * * * * * *
>
> The evidence shows conclusively that the statement that they had discovered that 'any sulpho acid of any radical,' treated according to their process, would give the product they said it would, was untrue. Briefly stated, the 'discovery' which the inventors profess to disclose is that all mono-sulpho acids and all di-sulpho acids, treated in a prescribed way, will give a specific result; while the fact is that, so far as appears, no mono-sulpho acid thus treated will give such result; and, when they professed thus to disclose their 'discovery', they either knew that the mono-sulpho acids will not give such result, or else knew nothing about the reaction of mono-sulpho acids under such process. In either case the 'discovery' which they disclosed is not the 'discovery' they made, and it is for the discovery or invention which the patentee makes and discloses that patent issues."

If the question presented is answered as petitioners ask, a wholesome restraint will be placed on the practice which

the decisions below seem to approve of filing applications and issuing patents which are not clear and exact guides to the art but are speculative and misleading. For themselves, petitioners ask only that the same critical standards be applied to the assertions of the Schafmeister application which are applied to petitioners' own work in producing actual reductions to practice.

CONCLUSION.

It is urged therefore that the petition for writ of certiorari be granted.

Respectfully submitted,

LEONARD A. WATSON,
Counsel for Petitioners.

DAVID A. WOODCOCK,
Of Counsel.

Dated, New York, N. Y.,
November 25, 1941.

APPENDIX.

Revised Statute, §4915 (35 U. S. C., §63).

Whenever a patent on application is refused by the Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners, the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal or decision; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit. R. S., §4915; February 9, 1893, c. 74,

§9, 27 Stat. 436; March 2, 1927, c. 273, §11, 44 Stat. 1336; March 2, 1929, c. 488, §2(b), 45 Stat. 1476; August 5, 1939, c. 451, §4, 53 Stat. 1212.

NOTE: The amendment of August 5, 1939, c. 451, substituted the words "Board of Appeals" for "Commissioner of Patents" and inserted "or whenever any applicant is dissatisfied with the decision of the board of interference examiners" in the first sentence. The interference between the parties herein was declared prior to October 5, 1939 when this amendment took effect. 35 U. S. C. A., §63.

FILED
DEC 17 1941
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

No. 761.

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,
Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,
Respondent.

BRIEF ON BEHALF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

ROBERTS B. LARSON,
Counsel for Respondent.

Loder Appeal Press, Inc., 65-67 Duane St., N. Y. C. Tel. WOrth-2-0689

INDEX.

	PAGE
Statement	1
The Facts	2
Argument	4

TABLE OF CASES.

Bemis v. Stevens & Bros., 177 Fed. 717, 721 (D. C. N. D. Ill.)	2
Bethlehem Steel v. Niles-Bement-Pond Co., 166 Fed. 880; affirmed 173 Fed. 1019 (C. C. A. 3)	1
Carnegie Steel Co. v. Cambria Iron Co., 185 U. S. 403, 420	1, 2
Carson v. American Smelting & Refining Co., 4 Fed. (2d) 463 (C. C. A. 9), certiorari denied 269 U. S. 555	2
Chadeloid Chemical Co. v. Wilson, 224 Fed. 481 (C. C. A. 2)	1
General Talking Pictures Corp. v. Western Electric Co., 304 U. S. 175, 178-179	3
Plunger Elevator Co. v. Standard Plunger E. Co., 165 Fed. 906, 911 (C. C. A. 1)	1
Southern Power Co. v. North Carolina Public Service Co., 263 U. S. 508, 509	3

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,

Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,

Respondent.

Brief on Behalf of Respondent in Opposition to Petition for Writ of Certiorari.

The petition for writ of certiorari raises no question of Constitutionality, no question of jurisdiction, no question of conflict of decisions, no question of local law, no question of Federal law not heretofore settled by decisions of this court, no question of a departure from accepted and usual course of judicial proceedings.

The law applied by the Circuit Court of Appeals in this case with respect to *ex parte* tests in patent cases is laid down by the United States Supreme Court in *Carnegie Steel Co.* v. *Cambria Iron Co.*, 185 U. S. 403, 420, and has been uniformly followed by the lower courts in many decisions.

Plunger Elevator Co. v. *Standard Plunger E. Co.*, 165 Fed. 906, 911 (C. C. A. First);

Chadeloid Chemical Co. v. *Wilson*, 224 Fed. 481 (C. C. A. Second);

Bethlehem Steel Co. v. *Niles-Bement-Pond Co.*, 166 Fed. 880; affirmed 173 Fed. 1019 (C. C. A. Third);

Bemis v. *Stevens & Bros.*, 177 Fed. 717, 721 (D. C., N. D. Illinois);
Carson v. *Amer. Smelting & Refining Co.*, 4 Fed. (2d) 463 (C. C. A. Ninth)—Certiorari denied 269 U. S. 555.

Apparently the petitioners desire to have this court review its own decision in *Carnegie* v. *Cambria* and its refusal to take the case of *Carson* v. *American Smelting Co.*, on a petition for a writ of certiorari—a ground which does not come within the reasons for granting a writ of certiorari as set forth in this Court's Rule 38.

Basically, and underlying the whole of the petition, is the complaint that the lower courts and tribunals, having heard and considered the evidence offered, adjudged that petitioners were not entitled to a patent for that which was invented by respondent's inventor. Therefore, petitioners seek to obtain another hearing in the hope that this court will come to a different conclusion on the same facts. The petition presents no substantial ground in view of this court's previous rulings on petitions of like character for the allowance of the writ herein sought. A perusal of the opinions of the District Court and the Court of Appeals and the evidence upon which these opinions were founded shows clearly that all of the questions raised by the petitioners in their present application were considered. The conclusion of the two lower courts was that the petitioners had failed to establish their claims of inventorship.

The Facts.

The recitation of the facts contained in the opinion of the District Court (R., pp. 561-562) and of the Circuit Court of Appeals (R., pp. 626-627) is concise, clear and adequate.

An interference was declared in the Patent Office between petitioners Becket and Franks and Schafmeister, respondent's inventor, which, upon proofs offered by both

sides, was determined by the Examiner of Interferences in favor of Schafmeister who refused to grant a patent to Becket and Franks. The decision of the Examiner of Interferences was affirmed by the Board of Appeals in the Patent Office. The petitioners did not then exercise their right to appeal to the Court of Customs and Patent Appeals but instituted the present suit in the United States District Court in Delaware by filing a complaint under R. S. 4915 (35 U. S. C. §63). The District Court, after trial, determined the issues against Becket and Franks (33 Fed. Supp. 324) and the Circuit Court of Appeals for the Third Circuit on appeal affirmed the District Court (122 Fed. [2d] 314). Consequently Becket and Franks have had two hearings on the merits in the Patent Office and two hearings on the merits in the courts, all four of which determined the facts and the law against Becket and Franks.

The invention involved in the interference and in the suits related to preventing internal (intergranular) corrosion in stainless steel. It had been found that stainless steel was damaged in its internal construction when subjected to certain ranges of temperature during welding and when subsequently used in chemical apparatus in certain industrial operations such as oil cracking. The means for overcoming this serious defect involved the use of columbium alone, or with tantalum.

The lower four tribunals having disposed of the case against petitioners, this court will not review such concurrent findings.

General Talking Pictures Corp. v. *Western Electric Co.*, 304 U. S. 175, 178-179. Nor will the court review by certiorari evidence or specific facts. *Southern Power Co.* v. *North Carolina Public Service Co.*, 263 U. S. 508, 509.

It is respectfully submitted that the District Court and the Court of Appeals were correct and that the present petition should be denied.

There was therefore involved in the Patent Office proceedings and in the courts below the usual question

among rival inventors as to who was the first inventor and entitled to a patent for the use of columbium or columbium with tantalum in the manufacture of stainless steel in order to overcome intergranular corrosion and the resulting collapse of the alloy under certain conditions. Petitioners, because there was a disclosure in Schafmeister's application of other rare earth metals, than columbium or columbium and tantalum, attempted to show in the courts below that such other rare earth metals would not give the desired result. This attempt was made in spite of the fact that the interference was limited only to the use of columbium or columbium and tantalum. The petitioners also attempted to induce the tribunals below to accept as evidence experiments which were made *ex parte* by the petitioners without the presence of the other party and without an invitation to the other party to attend such tests. The tribunals determined not to follow such evidence, regarding such evidence as unsatisfactory and stating that the courts were at liberty to ignore petitioners' *ex parte* tests.

The petitioners, having been uniformly defeated by the Patent Office tribunals, and the courts below, now seek a review by this court on propositions which are without merit.

Argument.

The petitioners, after four full hearings below, have been defeated on the facts and the law and the tribunals below have determined that Schafmeister, respondent's inventor, and not Becket and Franks, was the first inventor and entitled to a patent on the use of columbium or columbium and tantalum in the manufacture of stainless steels to prevent intergranular corrosion.

Petitioners in their brief assert that there is a conflict between the decision in this case and the decisions in other Circuits on certain propositions of law. This, how-

ever, is not the fact. The petitioners' brief does not point out any part of the decisions of the courts which are in conflict with the decisions of other courts. The District Court and the Court of Appeals determined the issues on the well known rule that

> "the party to an interference who shows that he reduced his invention to practice before the other is entitled to prevail" (R., p. 627).

That

> "the plaintiffs had the burden of overcoming the presumption in favor of Schafmeister" (R., p. 627).

and that the proofs were not sufficient to overcome the burden on the petitioners (R., p. 627).

The court laid down no new rule of law in conflict with prevailing decisions, as petitioners attempt to show. The courts followed the established rule of law in determining inventorship but found on the facts against Becket and Franks.

The finding of the tribunals below is well expressed in the Circuit Court of Appeals' decision (R., p. 626) as follows:

> "The plaintiffs also sought to attack Schafmeister's application on the ground (1) that it was not directed to intergranular corrosion and (2) that the plaintiffs had disproved Schafmeister's claims by tests which they had conducted. For these reasons, they claim priority whereby they are entitled to a decree in their favor. The attack on Schafmeister's application falls upon examination. The Schafmeister application discloses that his invention was directed at supplying an improved stainless steel for uses in which intergranular corrosion was the problem, such as in welding. The

second attack falls for the reason that the trial court was at liberty to ignore the plaintiffs' *ex parte* tests which allegedly showed the inefficiency of Schafmeister's claims and formulae. *Carson* v. *American Smelting & Refining Co.*, 4 Fed. (2d) 463, 465-466 (C. C. A. 9). See cases collected in *Steinfur Patents Corporation* v. *J. Meyerson, Inc., et al.*, 56 Fed. (2d) 372 at 379 (D. C. E. D. N. Y.)."

The petitioners complain because the tribunals below did not accept their *ex parte* tests in which they attempted to show that disclosures of Schafmeister's application, which were not involved in the interference, might or might not be operative. Clearly, what was not involved in the interference was not material to the issue and whether it was material or not, the tribunals below held that they would not consider *ex parte* tests on such an issue. We believe that this is the correct answer to the question raised on page 8 of the petition of the petitioners.

All of the four tribunals below considered the point whether Schafmeister could make the counts of the interference on the basis of the disclosure of his original application and their conclusions are set forth in considerable detail in the United States Circuit Court of Appeals' decision (R., pp. 624-5). The facts were determined against the petitioners on the well established rules of law as to priority.

CONCLUSION.

It is respectfully submitted that there is no merit in the Petition for Writ of Certiorari and that the petition accordingly should be denied.

Respectfully submitted,

ROBERTS B. LARSON,
Counsel for Respondent.